



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 147 SLS 09RS 523

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: REVISED

| | | | | |
|-------------|---|---------|---------|------------------------|
| Date: | June 9, 2009 | 6:42 AM | Author: | MURRAY |
| Dept./Agy.: | Culture, Recreation, Tourism / Revenue | | | |
| Subject: | Tax Credits for Rehabilitation of Historic Structures | | | Analyst: Greg Albrecht |

TAX/TAXATIONEG NO IMPACT GF RV See NotePage 1 of 1

Increases the number of allowable transfers of the tax credit generated by the rehabilitation of historic structures. (gov sig)

Current law provides tax credits for nonresidential or residential rental historic structures in downtown development or cultural products districts. Credits are 25% of eligible costs, limited to \$5 million per taxpayer, and can be transferred up to two times.

Proposed law will allow these credits to be sold/transferred an unlimited number of times.

Effective upon governor's signature.

| EXPENDITURES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The Department of Revenue testified in the House Committee on Ways and Means that the bill will ease administration of the program by reducing inquiries of the Department and review of legal structures utilized by participants to avoid the limitation of two transfers of credits.

This bill may address a particular situation, but neither the Department of Culture, Recreation and Tourism or the Department of Revenue indicated an awareness of situations where tax credits associated with this program have been transferred twice, and are now constraining a taxpayers ability to use them because they can not be transferred again under current law. Allowing additional transfers under such a situation, presumably can only reduce state revenues relative to what they would otherwise be. However, current law also allows a five year carry forward of unused credits. Thus, the result of the bill may be only to accelerate credit realizations that were going to occur anyway, but only at a later date.

| | | | |
|---|---------------------|--|--|
| Senate | Dual Referral Rules | House | |
| <input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease | H. Gordon Monk Legislative Fiscal Officer |